



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held January 13, 2009, the Board took the following action:

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The following item was called up for consideration:

The Interim Director of Health Services' recommendation to: 1) Approve and authorize the Interim Director of Health Services to reduce the initial reimbursement rate for Physician Services for Indigents Program (PSIP) to 27% of the Official County Fee Schedule (OCFS) for Fiscal Year (FY) 2008-09 and offer revised emergency physician services agreements for FY 2008-09 to eligible non-County physicians providing emergency services at non-County emergency hospitals; also 2) Authorize the Interim Director to offer new emergency physician services agreements to eligible providers; and 3) To further reduce the reimbursement rate in future fiscal years on a year-by-year basis, up to a maximum of five years, with the reduced initial reimbursement rate to be no less than 25% of the OCFS; and authorize supplemental payments if significant funding remains in the PSIP at Fiscal Year end, and offer revised emergency physician agreements accordingly.

Supervisor Knabe made the following statement:

"In its first two recommendations regarding the non-County Physician Indigent Care Reimbursement Program, or PSIP, the Department of Health Services requests authorization to cut the initial reimbursement rate to 27% of the fee schedule – equivalent to what Medi-Cal would pay. I reluctantly support this due to the immediate financial necessity.

"The third recommendation asks for delegated authority for up to five years to cut the initial reimbursement as low as 25% - even less than Medi-Cal – without having to bring the issue back before this Board. There is no immediate necessity for this and I cannot support it without more information and far more transparency.

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“Our emergency care is essential. Experts tell us that it is fragile now. Who knows how fragile it may be in five years? Emergency providers especially depend on government reimbursement because under Federal Law they are the only providers that cannot turn patients in need away because of their inability to pay for services. I am deeply concerned that we not inadvertently cut so deep as to cause emergency service providers to close up shop.”

Dr. John F. Schunoff, Interim Director Health Services, and Carol Meyer, Interim Chief Network Officer, Department of Health Services, responded to questions posed by the Board.

After discussion, on motion of Supervisor Knabe, seconded by Supervisor Molina, unanimously carried, the Board took the following actions:

1. Approved Recommendation Nos. 1 and 2 of the Interim Director of Health Services' attached recommendation;
2. Continued Recommendation No. 3 four weeks to February 10, 2009, to allow the Chief Executive Officer and Interim Director of Health Services to report back on the following:
 - The impact that a reduction of the Physician Services for Indigents Program (PSIP) reimbursement rate below what Medi-Cal pays may have on the availability of emergency services, in combination with other current and anticipated developments in health care reimbursement;
 - Alternatives for Board consideration to across-the-board reductions in physician reimbursement rates which would more effectively preserve such services; and
 - Procedures to first fully air before the public, prior to presenting it to the Board, the need for any future proposal to lower the PSIP reimbursement rates below the Medi-Cal threshold of 27%.

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Attachment

Copies distributed:

Each Supervisor
Chief Executive Officer
County Counsel
Interim Director of Health Services